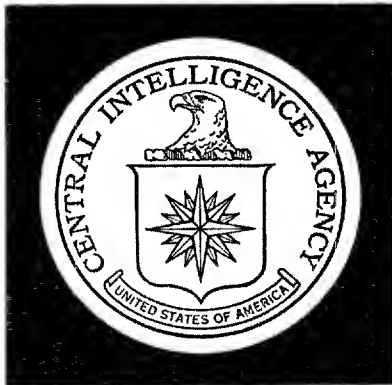


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DIRECTORATE OF  
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State Department review completed

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[ Vietnam:

South Vietnam: The Thuong Duc Special Forces camp was again shelled on 2-3 October with sporadic mortar fire but there was no ground action around the camp.

Elsewhere in South Vietnam action remained light as it has for the last several days.

\* \* \* \*

Security in Go Cong Province has recovered slowly but steadily during the last eight months and is again at about the level achieved before the government temporarily abandoned the countryside to the Viet Cong during the Tet offensive. The government, however, still faces major problems in luring away major elements of the population from support of the Communists.

Under the leadership of its aggressive new chief, who was appointed on 1 April, Go Cong has become one of the more secure provinces in IV Corps. Viet Cong military forces appear to have been put on the defensive as a result of a concerted government military effort.

On the other hand, the province is still plagued by weak officials below the province chief and by generally poor district staffs. The rural population apparently recognizes this, and most display disrespect for the government and its programs. At the same time, they retain considerable respect and sympathy for the Viet Cong.

The Saigon government originally formed Go Cong Province in 1964 from the two eastern districts of Dinh Tuong Province in order to combat the nearly complete control of the Viet Cong. Except for a brief time before and during the Tet offensive, the government has made some military ]

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[progress under the new setup, and the Communists are no longer safe in one of their two Go Cong base areas.

Unless the government can come up with large numbers of competent personnel to staff offices at all levels from hamlet to provincial level, however, it will be very difficult to reduce Communist influence much further among the people of Go Cong.

North Vietnam: Another poor rice crop is in prospect in North Vietnam, leaving Hanoi even more dependent on food imports. According to an August issue of the party daily, the major tenth month crop about to be harvested was planted late and was hit by flooding.

The autumn crop accounts normally for two thirds of the total North Vietnam rice production. To add to Hanoi's food woes, the early crop this year is estimated to have been some 200,000 tons short of the average 1.5 million-ton spring crop.

Food delivered by sea to North Vietnam during the first nine months of this year totaled 562,000 tons, a 72-percent increase over the same period of 1967. These food imports--mostly from the Soviet Union and Communist China--have been crucial for maintaining the level of rations in the cities of North Vietnam. Latest reports indicate that up to 50 percent of the urban "rice" ration is being adulterated with substitutes, including imported wheat flour. [REDACTED]

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USSR-Czechoslovakia: The cold Soviet reception of the Czechoslovak leaders who arrived in Moscow yesterday may mean that Moscow intends to insist that Prague comply immediately with its demands.

The three-man Czechoslovak delegation--party chief Dubcek, Premier Cernik, and Slovak party leader Husak--did not receive the attention normally accorded high-level delegations, although they were quietly met by the Soviet triumvirate of Brezhnev, Kosygin, and Podgorny. The TASS announcement of their arrival failed to cite their official positions, identifying them only as a "delegation of the central committee" of the Czechoslovak party, but it also did not identify the Soviets present by position.

President Svoboda and National Assembly President Smrkovsky are conspicuously absent from the talks. The Soviets reportedly have been opposed for some time to including Smrkovsky in the delegation. The unexplained absence of Svoboda, who played a crucial role in August, could weaken the Czechoslovak position during the talks. Earlier reports indicated that the Czechoslovak leaders were at odds on how to handle the Soviets. It is not known whether these differences were resolved before Dubcek left for Moscow, but the composition of the delegation could bode ill for the unity of the Czechoslovak leadership.

One source of the US Embassy in Prague believes that the composition of the delegation is "very unpleasant" because Cernik and Husak are now "opposing" Dubcek. There is no other indication that the Czechoslovak leaders have broken their pledge to stand or fall together. It is not clear whether the source was reporting his own opinion or that of the party leadership. The same source claimed that the delegation is expected to stay for only one day, but press reports indicate the talks will be more extended.

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There are other indications of a growing hardness in the Soviet line. Before the Czechoslovak delegation arrived, Pravda loosed another blast at Prague for failing to take strong measures against "counterrevolutionaries." In the last few days, the Soviet press has directed heavy fire at the Czechoslovak press and members of the now banned non-Communist political clubs. [REDACTED]

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Greece: Little change is foreseen in the Greek political scene in the wake of the overwhelming vote for the new constitution.

The government interprets the vote as a sign that its brand of rule has widespread acceptance. Its spokesmen insist that they will continue at a measured pace toward fulfilling the aims of the "revolution."

Although some elements in the military regime may favor modest steps toward freer political activity, other forces will almost certainly oppose any significant relinquishment of power soon. Few of the institutions needed for an orderly return to democratic politics have been established, nor is there any clear picture of the regime's designs for them. Moreover, despite exile propaganda, no organized or effective opposition has yet surfaced to challenge the junta's intention to create a new Greece in its own image.

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Portugal: Judging from initial reaction in Lisbon, Marcello Caetano is off to a good start as prime minister.

Caetano has shown thus far a determination to prove that he is his own man. Nevertheless, he will probably try to demonstrate the orthodoxy expected by hard-line supporters of Salazar. His inaugural speech struck a neat balance between affirming a continuation of Salazar's policies and hinting at cautious and gradual changes. The speech pleased newspapers both to the left and right of Caetano whose editors read into it what they wished to see.

Certain independent papers have appealed for more liberalization of government, including relaxation of censorship. The very fact that the appeals were printed reveals some loosening in the previously rigid censorship. There is further evidence of relaxation in the fact that the press has run unusual coverage on the prime minister's movements and more explicit information on Salazar's condition. According to one Portuguese newspaper editor, the policy is to relax censorship but make no formal legal changes for the present.

At his first cabinet meeting on 1 October, Caetano presented general policy lines for improving public administration, intensifying economic development, and promoting social welfare. Reportedly the pace of activity in government has already picked up, and old methods and policies are being questioned. Changes in economic and financial policies to stimulate growth are in the offering, [redacted]

[redacted] As with censorship, however, these changes will be made gradually.

Caetano appears to expect no difficulties from the secret police or the armed forces. He reportedly is reassured both by the control the prime minister has over the secret police and by the fact that the current armed forces chief of staff is a trusted friend. [redacted]

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Lebanon: President Hilu expects soon to reshuffle the cabinet in an attempt to prevent further deterioration of the political situation.

Hilu plans to have Prime Minister Yafi form a new cabinet with greater participation by members of the pro-Western Tripartite Maronite Christian Alliance. He hopes thus to end the present parliamentary logjam resulting from the impasse between the Alliance and the supporters of ex-president Shihab. In parliamentary elections during March and April, the Alliance won a one-seat edge over the Shihabists. The Alliance has not been able to convert this narrow victory into effective political power because, with the present parliament electing a new president next year, the Shihabists have been unwilling to cooperate.

The Lebanese President believes that cooperation between the two factions to undertake a number of national reforms, particularly in education, is necessary to forestall trouble, which he fears will be sparked by leftist exploitation of student disaffection. Hilu, however, appears to be exaggerating the extent of social unrest in the country at large, and it is doubtful that the two factions can be convinced that the need to cooperate is urgent. [REDACTED]

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[Peru]: The armed forces, led by army commander General Juan Velasco, have met little active resistance since ousting President Belaunde and taking over the government.

Operating under long-established contingency plans, the army was in control of the key points throughout the country before any opposition could be organized. The swift and efficient movement of tanks and troops into Lima to occupy key government and communications installations indicates that the coup was carefully planned and coordinated. President Belaunde was forcibly arrested and put on a plane for Argentina, while those leaders of the air force and navy who were reported to have differences with General Velasco were placed under house arrest.

A top leader of APRA, a party which has long been at odds with the military, went on the radio within hours of the coup to exhort his followers to "defend constitutional order." Thus far, however, only minor clashes between troops and students have been reported. APRA labor leaders have reportedly decided to call a general strike, and there are reports of labor disturbances in some of the outlying provinces. The US Embassy states that labor opposition increases the possibility of violence, but is not likely to be strong enough to reverse the coup.

An all-military government has been established under the presidency of General Velasco, according to Lima radiobroadcasts.

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Uruguay: An executive move to control political activity at the national university will increase friction between President Pacheco and Congress.

A bill sent to Congress on 1 October would impose heavy penalties for failure to vote in elections to the university governing body. It is designed to undercut leftist dominance by forcing participation in university government by the democratically oriented but politically apathetic students, alumni, and professors, who far outnumber the radicals.

The bill is certain to be condemned by both leftists and rightists as a violation of traditional university autonomy. Many congressmen favor limiting leftist influence on campus but will be reluctant to endorse anything smacking of direct interference with the university. Strong student protest against the bill may lead to renewed disorders.



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Mexico: The international Olympic committee announced yesterday that the games will proceed as scheduled, but further conflict between students and security forces is likely.

The growing extremism of the student movement is indicated in the students' obvious willingness to provoke armed clashes, apparently in the belief that the losses they take will gain them still more adherents for the campaign against the government. The students are in an ugly mood, and are reported to be considering sabotaging Olympic installations and some government offices.

Foreign journalists are receiving warnings to evacuate Mexico, "which is in the middle of a civil war," in leaflets issued by the "constitutionalist army of liberation"--presumably student propaganda to undermine confidence in the government's ability to secure order.

The fact that the violence on 2 October raised questions among Olympic officials about the practicality of continuing with their schedule will probably be interpreted by the strikers as at least a minor victory. The US Embassy does not expect significant disruption of the games or serious inconvenience to visitors, and there has been no harassment of the more than 50 teams already in Mexico City.

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